

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF STEVE AND ) APPEAL NO. 06-A-2465  
LINDA BENCH from the decision of the Board of ) FINAL DECISION  
Equalization of Valley County for tax year 2006. ) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing November 8, 2006, in Cascade, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Steve and Linda Bench appeared for Appellants. Assessor Karen Campbell, Chief Deputy Assessor Deedee Gossi and Appraiser Michael Johnson appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP18N03E270009A.

**The issue on appeal is the market value of a residential property.**

**The decision of the Valley County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed residential land value is \$22,070, the rural land valuation is \$223,110, and the improvements' valuation is \$1,079,940, totaling \$1,325,120. Appellants request the improvements' value be reduced to \$450,000 and the total valuation thereby reduced to \$695,180. Subject's land values are not disputed.

The subject property is a 16.95 acre parcel with a single-family residence built in 2003. Subject is located in Homestead Estate Subdivision near McCall, Idaho.

Appellants provided two (2) recent sales in subject's area. Taxpayers were unsure of the properties' square footages but estimated they sold for \$178.59 and \$207.55 per square foot

respectively. Appellants state subject was assessed over \$300 per square foot excluding the attached garage.

Appellants also submitted assessments for nearby properties that were similar in improvement size to the subject residence. The assessments showed a range of \$171 to \$189 per square foot.

Respondent calculated that subject was assessed for \$258 per square foot. At hearing, the parties disputed subject's actual square footage. However the original assessment is based on a size of 3,897 square feet.

Respondent presented several sales in subject's area that varied widely in price per square foot. It was noted most sales represented residences of lower quality than subject. Respondent did provide one sale in subject's subdivision that was graded the same quality and was similar in size to subject. The sale was also referenced by Appellants and occurred in October 2005 for approximately \$184 per square foot.

Respondent also provided information on a number of assessments from subject's area that had varying qualities of homes and various values per square foot.

In preparing for hearing, the Assessor noted an error in the subject assessment pertaining to heating. The change resulted in a reduced total value of \$1,047,430. At hearing, the County recommended the Board change the assessment accordingly.

Following hearing and the opportunity of the parties to physically reinspect the subject residence, the Board received from the County a post-hearing submission proposing additional changes. Due to an unspecified change to the upstairs square footage and minor adjustments to the kitchen components, Respondent recommends the improvements' value be lowered an additional \$56,900.

## CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho uses market value as its standard in the assessment of property for tax purposes.

Idaho Code § 63-201(10) provides in pertinent part:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Both parties presented property assessments in subject's area that varied widely, both in value and in the quality of the improvements. Assessments, however, are not necessarily good indicators of market value.

In this instance the market reveals a number of recent, proximate sales of comparable albeit somewhat different property. Both parties also addressed sales information. Again the comparisons varied widely in the indicated price per square foot and respective quality.

Both parties did submit two (2) of the same sales. The sale that was shown to be the most comparable to subject in terms of size and quality sold for approximately \$184 per square foot in October 2005. The other sale was \$150.70 per square foot, however, Respondent contended it was of lesser quality.

On review, the October 2005 sale seems the most indicative of subject's probable improvement value because of the similarities it shares with subject. As noted earlier, the parties disputed the residence's precise square footage. At hearing there was no persuasive proof

offered refuting the County's previously measured size of 3,897 square feet. Appellants did provide house plans, but the plans were not the appraisal unit being assessed. Following the post-hearing submission it was clear some correction was indicated and this to the Taxpayers' benefit. Unfortunately, a more precise correction to the upstairs square footage and the total gross living area are not available. The Board may still decide the appeal in consideration of the available evidence. The Board has determined subject's probable improvement value to be \$700,000. This reflects our consideration of the improvements' size and the best corresponding market price evidence. With no change to the land valuation, the total value is therefore \$945,180. The decision of the Valley County Board of Equalization is modified accordingly.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease to \$945,180. There is no change to land category values. The reduction is intended to be taken off the improvements' value.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellants.

DATED this 9<sup>th</sup> day of April , 2007.